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UNCLAS SECTION 01 OF 02 WELLINGTON 000413

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SENSITIVE

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SUBJECT: POLLING AS LABOUR GOVT SUPPORT PLUNGES FURTHER, THE
OPPOSITION SURGES

REF: A) WELLINGTON 386, B) 06 WELLINGTON 598

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1. (SBU) SUMMARY: Support for the Labour Government continues to slide. Three major New Zealand political polls have shown that it now trails the opposition National Party by an average of 20 points. They also show that National's new leader John Key has cemented his position as New Zealand's preferred Prime Minister over Helen Clark, the first to do so in her eight years in office. A series of recent events and decisions have conspired to turn a growing number of New Zealanders against the Labour Government. Although Clark has been successful in reversing past slumps by relying on previous National Party missteps, Post believes that a more astute and confident National will make this much harder to do this time around. Analysts predict that if Labour does not arrest its slide by the start of 2008 it will prove fatal for the Government's prospects in the general elections later that year. END SUMMARY.
Polls show National ahead of Labour

2. (SBU) Three major New Zealand political polls, all released after the recent announcement of the tepidly-received 2007 Budget (see ref A), show that the opposition National Party is now considerably more popular than the Labour Government. Averaging out these polls, National now has a sizeable 20-point advantage over Labour. The Government's popularity problem has extended to personal polling, where National's leader John Key has continued to grow his lead over PM Clark as New Zealand's preferred Prime Minister. Analysts put Labour on alert

3. (SBU) A leading political commentator believes that if Labour is still trailing by even half of the current gap which has opened between it and National by the February of election year 2008 - when campaign politics begin in earnest - it will probably be too late for the Government to win re-election. The commentator suggests that if National's lead is entrenched at around 10% points by February 2008, it will be almost impossible for Labour to haul it back and win the election.

4. (SBU) A Massey University political analyst believes that the vast gap between Labour and National can't be shrugged off as the result of a honeymoon period for the new leader of the opposition, as propositioned by Clark. The analyst said New Zealand research shows people who make up their mind early about whom they will vote for are mostly National voters.
Labour's Options

5. (SBU) Despite its clear unpopularity at present, Labour still has the major advantage over National of setting the political agenda, the Government also faces a buoyant economy and a large cash surplus to call on if needed. In an attempt to refresh her party and revive its political fortunes, Clark is expected to reshuffle her cabinet in the coming months.

¶16. (SBU) Key himself says his party is taking heart from the results but cautions that it "is still a year and a half out from the election, and there is no room for complacency or arrogance." A close advisor to Key has told post that National "would like to earn the right to be the government and stay in power for an extended a period of time." The adviser believes the poll results are a reflection that voters are growing tired a directionless and staid Labour after three terms in office.
Polls tell growing gulf between National and Labour

¶17. (SBU) On May 26, the Herald's DigiPoll survey showed National's support had reached 50.9% (up 7 points) with Labour dropping 7 points to 33.6%. The following day the One News-Colmar Brunton poll released its findings which showed National up 7 points to 56% and Labour conceding 7 points to 31%. On May 30, the Roy Morgan poll had National at 49% and Labour on 32%. In Preferred Prime Minister polling the Herald's DigiPoll has Key at 45.5% (up 9.3 points) and Clark at 42.1% (down 5.6 points). Similarly the Colmar Brunton survey found Key gained 10 points to lead Clark, who lost 10 points, 38% to 27%. These findings track the milestone 3 News-TNS poll earlier this month in which Clark had, for the first time since she took office in 1999, lost her top billing as New Zealand's Preferred Prime Minister (to Key).

¶18. COMMENT: (SBU) Although Clark attributed Labour's slump to "mid-term blues" and expressed confidence that her party could recover before the next election, scheduled for the end of 2008, Post believes that other factors have contributed to Labour's poor polling. One was Labour's support for the highly controversial Anti-Spanking Bill. This bill, now passed into law, abolished the legal defense of reasonable force against children and banned physical punishment of children. It greatly angered a majority of New Zealanders who regarded it as an unwarranted intrusion by the state into their personal/family lives. This development along with the absence of personal tax cuts in the latest budget round, voter dissatisfaction with rising interest rates, perceived bungling in the law and order portfolio, and the ongoing corruption controversy concerning former Labour MP Taito Phillip Field (see ref B) are

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other contributing factors affecting Labour's decline. After three terms in power, it is also clear that a growing number of New Zealanders are growing weary of the Labour Government and its MPs. A simple cabinet re-shuffle is unlikely to do much to change the growing public perception that the Government is jaded and out-of-touch, especially when compared with National's newly confident and energetic leadership and enlivened caucus.

¶19. (SBU) In the 8 years it has held power, Labour has experienced a few major downturns but none as serious as now. It has usually reversed past slumps by waiting for previously gaffe-prone National leaders to self-destruct and lose the confidence of voters. However, Clark and her colleagues cannot rely on this strategy going forward as Key is far less divisive and a more disciplined and politically astute National Party leader than his predecessors. Making Labour's task more difficult this time is that some in the media have begun to swing in behind Key. Some have even dubbed him a leader-in-waiting. END COMMENT.
McCormick